



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Enter into a Personal Services Contract with Johnson and Associates for the Electric Utility Department Organizational Review and Salary and Classification Analysis (\$44,000)

MEETING DATE: December 20, 2000

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution authorizing the City Manager to enter into a personal services contract with Johnson and Associates for the organizational review and salary and classification analysis of the Electric Utility Department (\$44,000 including \$6,500 salary study).

BACKGROUND INFORMATION: Lodi Electric Utility has 54 employees (47 full-time including the Director, 7 mid-management, and 7 temporary). The Utility serves 20,000 plus residential and 3,000 commercial industrial customers.


Lodi's peak electrical demand in 2000 was 126 megawatts. Lodi Electric Utility obtains its electricity for resale from the Western Area Power Administration (Western), the Northern California Power Agency (NCPA), and the electric market. As a member of NCPA, Lodi participates and receives the generation output of several NCPA projects including geothermal, hydroelectric, and combustion turbine power plants.

The California electric industry underwent significant changes that started in March of 1998 to accomplish deregulation. These changes have impacted the Department's operation creating new challenges and business opportunities with our customers. Initial organizational changes were made to address the evolving industry on an individual case basis. However, the Lodi Electric organization, as it stands, is a product of the old utility monopolistic business model. To insure survival in this new deregulated competitive environment, we must:

- Examine the organization structure to ensure that Lodi Electric is structured in the most effective and efficient manner;
- Examine the job specifications to ensure that the necessary experience, skill sets and job duties meet the organization's model and structure;
- Establish the appropriate bench marks to facilitate compensation comparisons with the market place; and
- Provide a functional and competitive review of department needs including allocation of job functions and duties, staffing and resource allocation

This proposed review would be the first department-wide organizational review in more than 20 years.

APPROVED: _____


H. Dixon Flynn - City Manager



CITY OF LODI

COUNCIL COMMUNICATION

Johnson & Associates are being recommended due to their broad range of experience working with electric utilities and municipalities. Most recently, they have worked with Emerald People's Utility District, Oregon and Roseville Electric, California among others.

FUNDING: Electric Rate Stabilization Reserve 162

Funding Approval: *Vicky McAthie*
Vicky McAthie, Finance Director

Alan N. Vallow

Alan N. Vallow
Electric Utility Director

PREPARED BY: Mel Grandi, Manager Electric Services

ANV/MG/lst

C: City Attorney

APPROVED: _____

H. Dixon Flynn - City Manager

RESOLUTION NO. 2000-228

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A PERSONAL SERVICES
CONTRACT WITH JOHNSON AND ASSOCIATES FOR THE
ORGANIZATIONAL REVIEW AND SALARY AND CLASSIFICATION
ANALYSIS OF THE ELECTRIC UTILITY DEPARTMENT

=====

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby authorize the City Manager to execute a personal services contract with Johnson and Associates for the organizational review and salary and classification analysis of the Electric Utility Department in an amount not to exceed \$44,000.00 including \$6,500.00 salary study.

Dated: December 20, 2000

=====

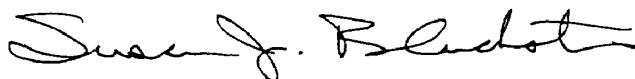
I hereby certify that Resolution No. 2000-228 was passed and adopted by the Lodi City Council in a regular meeting held December 20, 2000 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Pennino and Mayor
Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk